

001922-6-T



social science research institute

RESEARCH REPORT

ARE IMPORTANCE WEIGHTS SENSITIVE TO THE RANGE OF ALTERNATIVES IN MULTIATTRIBUTE UTILITY MEASUREMENT?

> WILLIAM F. GABRIELLI, JR. **DETLOF VON WINTERFELDT**

> > SPONSORED BY:

ADVANCED RESEARCH PROJECTS AGENCY DEPARTMENT OF DEFENSE

MONITORED BY: ENGINEERING PSYCHOLOGY PROGRAMS

OFFICE OF NAVAL RESEARCH CONTRACT No. N00014-76-C-0074, ARPA

APPROVED FOR PUBLIC RELEASE; DISTRIBUTION UNLIMITED: REPRODUCTION IN WHOLE OR IN PART IS PERMITTED FOR ANY USE OF THE U.S. GOVERNMENT

DECEMBER 1978

SSRI RESEARCH REPORT 78-6



79 08 31 055

Social Science Research Institute University of Southern California Los Angeles, California 90007 (213) 741-6955

ì

INSTITUTE GOALS:

The goals of the Social Science Research Institute are threefold:

- To provide an environment in which scientists may pursue their own interests in some blend of basic and methodological research in the investigation of major social problems.
- To provide an environment in which graduate students may receive training in research theory, design and methodology through active participation with senior researchers in ongoing research projects.
- To disseminate information to relevant public and social agencies in order to provide decision makers with the tools and ideas necessary to the formulation of public social policy.

HISTORY:

The Social Science Research Institute, University of Southern California, was established in 1972, with a staff of six. In fiscal year 1978-79, it had a staff of over 90 full- and part-time researchers and support personnel. SSRI draws upon most University academic Departments and Schools to make up its research staff, e.g. Industrial and Systems Engineering, the Law School, Psychology, Public Administration, Safety and Systems Management, and others. Senior researches have point appointments and most actively combine research with teaching.

FUNDING:

SSRI Reports directly to the Executive Vice President of USC. It is provided with modest annual basic support for administration, operations, and program development. The major sources of funding support are federal, state, and local funding agencies and private, foundations and organizations. The list of sponsors has recently expanded to include governments outside the United States. Total funding has increased from approximately \$150,000 in 1972 to almost \$3,000,000 in the fiscal year 1978-1979.

RESEARCH INTERESTS:

Each senior SSRI scientist is encouraged to pursue his or her own reaearch interests, subject to availability of funding. These interests are diverse: a recent count identified 27. Four major interests persist among groups of SSRI researchers: crime control and criminal justice, methods of dispute resolution and alternatives to the courts, use of administration records for demographic and other research purposes, and exploitation of applications of decision analysis to public decision making and program evaluation. But many SSRI projects do not fall into these categories. Most project combine the skills of several scientists, often from different disciplines. As SSRI research personnel change, its interests will change also.

ARE IMPORTANCE WEIGHTS SENSITIVE TO THE RANGE OF ALTERNATIVES IN MULTIATTRIBUTE UTILITY MEASUREMENT?

Research Report 78-6

December, 1978



William F. Gabrielli, Jr.

Detlof von Winterfeldt ...

Social Science Research Institute University of Southern California

Sponsored by
Defense Advanced Research Projects Agency

SUMMARY

Scaling factors in multiattribute utility measurement can either be assessed directly as importance weights or indirectly by indifference judgments. Critics of the importance weight interpretation of scaling factors argue that importance weights are not sensitive to ranges of alternatives and thus cannot be used to match standardized single attribute utility functions. To examine the range sensitivity of importance weight judgments two experiments were designed. In the first experiment college students gave relative importance weight judgments for a number of attributes when evaluating apartments and liquified natural gas plant locations. After the initial importance weight assessments the range of alternatives in one attribute was changed and subjects reassessed their weights. Although subjects were explicitly instructed to take ranges into account when making these judgments, they were unable to adjust their weights appropriately. To magnify possible range effects a second experiment examined a very simple two attribute car evaluation problem. Subjects were asked directly if weights should change after the range in one attribute was doubled. Most subjects indicated that there should be no change. The results of these experiments suggest that subjects have plausible ranges in mind when assessing importance weights and that they are unwilling to change weights after relatively spurious changes in the alternative set.

Clar Thut 1en

CONTENTS

Summary	i
Figures	ii i
Tables	iv
Acknowledgements	νi
Disclaimer	vij
I. Introduction	1
II. Experiment 1	8
1. Method	8
1. Subjects	8
2. Stimuli	8
3. Procedure	8
2. Results 1	3
3. Discussion 2	0
III.Experiment 2	2
1. Method	2
1. Subjects 2.	2
2. Stimuli 2.	2
3. Procedure 2	4
2. Results 2	5
IV. Discussion	5
V References 3	n

FIGURE

		Page
Figure 1:	Illustration of a single attribute utility function for	
	a long range (u_i) and for a reduced range (u_i)	. 6

TABLES

		Page
Table 1:	Stimuli for the Car Evaluation Example	9
Table 2:	Stimuli for the Apartment Evaluation Problem	10
Table 3:	Stimuli for the LNG Plant Siting	11
Table 4:	Experimental Conditions	14
Table 5:	Original Weight (w_1) , Revised Weight (w_1^*) , and Expected Weight (w_1^*) as a Result of a Chan e in the Range of the First Attribute	16
Table 6:	Summary of the Weight Change as a Function of a Change in the Range	21
Table 7:	Stimuli for the Car Evaluation Problem in Experiment 2	23
Table 8:	Summary of Experiment 2: Changes in Weight as a Function of a Range Increase and Instructions	26

ACKNOWLEDGEMENTS

This research was supported by the Advanced Research Projects

Agency of the Department of Defense and monitored by the Office of

Naval Research under Contract #ONR N00014-76-C-0074 under subcontract

P.O. 78-072-0720 from Decisions and Designs, Inc.

The authors would like to thank Richard John, William Stillwell rand especially Ward Edwards for their useful guidance and criticisms. We would also like to thank Maureen Barnett and Maxim Ofina for their generous editing and typing efforts and their otherwise helpful suggestions.

DISCLAIMER

The views and conclusions contained in this document are those of the authors and should not be interpreted as necessarily representing the official policies, either expressed or implied, of the Advanced Research Projects Agency or of the United States Government.

Introduction

Multiattribute Utility Theory (MAUT) forms a class of models and scaling procedures for evaluating complex multidimensional alternatives, such as apartments, industrial sites, or social programs. The procedure involves three steps. First is the identification of the possible alternative set. The second step involves the construction of utility functions to evaluate each alternative with respect to each attribute. Finally these single attribute utility functions are combined by an appropriate aggregation rule. The best known aggregation rule is the additive model (see Keeney and Raiffa, 1976; and Edwards, 1977). According to the additive model, single attribute utility functions (u₁) are multiplied by a weight (w₁) and additively combined:

$$u(x) = \sum_{i=1}^{n} w_i u_i(x_i)$$
 (1)

where x is an alternative under evaluation and x_i is the level of that alternative on attribute i. Decision analysts usually standardize single attribute utility functions to range between 0 (worst level) and 100 (best level); and normalize weights to sum to one.

In riskless applications of this model, the utility functions reflect the value (or worth) differences within an attribute. If, for example, $u_i(x_i) = 50$, then the worth of x_i is halfway between the best and the worst level in attribute i. The weighting factors w_i match utilities across attributes. Such a match is necessary since not all attributes contribute equally to overall worth.

Consider, for example, the attributes "rent" and "distance from work" in an apartment evaluation problem. Assume that for you a rent decrease from \$300 to \$280 is just as valuable as a distance decrease from 15 to 5 miles. Further assume that the single dimension utility functions are standardized so that the \$20 rent decrease corresponds to a gain of 10 utility points (out of 100 available) while the 10 mile distance decrease corresponds to a gain of 50 points. To make up for this distortion of single attribute utilities, the attribute "rent" has to be weighted five times more than the attribute "distance." Weights thus spell out how much a utility unit in one attribute contributes to overall worth relative to a unit in another attribute.

This interpretation as relative scaling factors makes weights directly dependent on the relatively arbitrary choice of a unit of single attribute utility functions, and, in particular, on the choice of attribute ranges. If, for example, in the above apartment evaluation problem 15 and 5 miles had been the worst and the best level of the attribute "distance", the utility difference would have been 100 rather than 50 and the weight of "rent" should have been 10 times larger than the weight of "distance."

Procedures to construct additive multiattribute utility functions should therefore reflect this sensitivity to choices of units and ranges. Classical indifference methods such as standard sequences (see Krantz, Luce, Suppes and Tversky, 1971) handle this sensitivity by matching units of single attribute utility functions directly in the constructive process. The results of standard sequence

procedures are properly matched utility functions f_i which need no further weighting (and, of course, do not range between 0 and 100). However, such indifference methods involve hypothetical trade-off questions which are sometimes complex, often difficult to understand, and seldom realistic.

The simpler and more intuitively understandable magnitude estimation techniques, on the other hand, may suffer from an insensitivity to the choice of units and ranges. Edwards' SMART procedure (1977) is the best known example of such magnitude estimation techniques. In this procedure single attribute utilities are scaled from 0 to 100, where the endpoints represent the best and worst available alternatives. Judging the relative importance of one attribute over another provides numerical assessment of weights. The range sensitivity of the numerical judgments of "relative importance" is, however, not at all obvious. In fact, the meaning of "importance" suggests some degree of situational invariance, as in statements such as 'money is always the most important consideration." Sophisticated applications of SMART try to take this problem into account by making ranges explicit in the importance weight assessment. For example, in so called "swing weight" assessment judges state how much more important a step from the worst to the best alternative in attribute i is relative to a step from the worst to the best alternative in attribute j. Obviously such refinements intend to make the importance weight assessment range sensitive.

Knowing that some ambiguity surrounds the notion of importance

weighting, the present study asked whether subjects are range sensitive in the SMART weighting techniques. The normative rules for changing the weight—as a function of the range change are explored. The description of two experiments which tested the range sensitivity of the SMART weighting technique is also included. In the first experiment, subjects applied the full SMART procedure in an apartment selection problem, and in the siting of a liquified natural gas plant. The subjects then repeated the evaluations with a different range on one attribute of each problem. The second experiment attempted to magnify the range sensitivity in a simple two attribute car evaluation problem which required subjects to explicitly change weights.

How Should Weights Be Changed If the Range Changes?

The introductory apartment evaluation example clearly shows that weights are dependent on the choice of units and ranges of single attribute utility functions. Restandardizing single dimension utility functions or changing units requires changing weights. As a rule, the weight ratios change inversely proportional to the change of the unit. If a range decrease, for example, enlarges the unit of a utility function by 20% the weight ratios between this utility function and others should be 20% smaller. In other words, a change in the total utility range should result in a proportional change of the (non-renormalized) revised weight. Of course, after renormalization, all weights will change.

More formally, assume that model (1) is an appropriate

evaluation model, with properly constructed and scaled weights w_i and single attribute utility functions u_i . Further, assume that in one attribute, say X_1 , a change in range occurs. For illustration, Figure 1 shows a range decrease of an attribute both at its upper and lower end. Restandardizing leads to a revised utility function u_1 . How should the weights w_i change to weights w_i ?

Since both u_1 and u_1 ' preserve utility difference judgments, the following equation must hold for any two attribute levels x_1 and y_1 , for which both u_1 and u_1 ' are defined:

$$u_1(x_1)-u_1(y_1) = T[u_1'(x_1)-u_1'(y_1)]$$
 (2)

Multiplying both sides with the original weight w_1 gives

$$w_{1}[u_{1}(x_{1})-u_{1}(y_{1})] = (Tw_{1})[u_{1}'(x_{1})-u_{1}'(y_{1})]$$
(3)

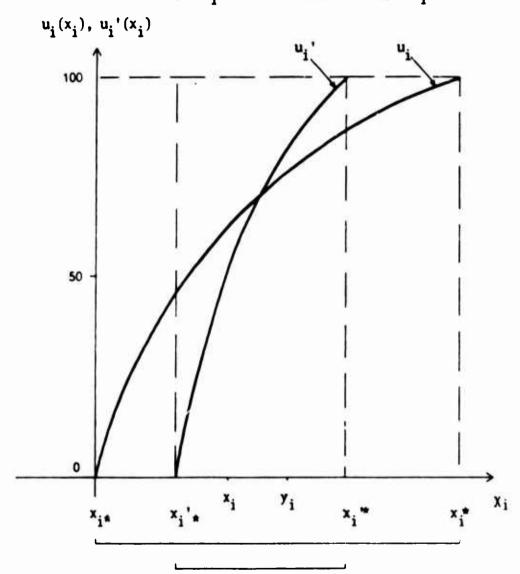
Before the range change $\frac{w_1}{w_i}$ matched a utility unit in u_1 against a utility unit in any other attribute i. As (3) shows T matches a utility unit in u_1 against a utility unit of the changed utility function u_1 '. Consequently $\frac{Tw_1}{w_i}$ matches a utility unit in u_1 ' against a utility unit in any other attribute i. Algebraic manipulation of (2) gives:

$$T = \frac{u_1(x_1) - u_1(y_1)}{u_1'(x_1) - u_1'(y_1)}$$
(4)

for any two points which \mathbf{u}_1 and \mathbf{u}_1' share. Consequently the non-normalized revised weight \mathbf{w}_1'' should be

$$\mathbf{w_1''} = \mathbf{T}\mathbf{w_1}. \tag{5}$$

Pigure 1
Illustration of a single attribute utility function for a long range (u_i) and for a reduced range (u_i')



Observing that by the original normalization of the w_i 's

$$1-w_1 = \sum_{i=2}^{n} w_i, \tag{6}$$

the normalized revised weights
$$w_1$$
' follow as
$$w_1' = \frac{Tw_1}{Tw_1 + (1-w_1)}$$
(7)

and

$$w_i' = \frac{w_i}{Tw_1 + (1-w_1)}, i > 1.$$
 (8)

In general, a change of the range or units in all n utility functions changes the weights to

$$w_{i}' = \frac{T_{i}w_{i}}{n}$$

$$\sum_{j=1}^{\Sigma} T_{j}w_{j}$$
(9)

This normative revision of weights gives rise to three observations. First, T should be smaller than 1 if the range decreases, and larger than 1 if it increases. In fact, T gives the factor by which a utility range decreases or increases relative to the original utility range. Second, the change in the non-normalized weight w₁" and consequently in the revised weight ratios w_1''/w_i is proportional to T. Finally, the normalized revised weights w;' do not change in proportion to T.

Otway and Edwards (1977) used equation (9) to recalculate weights in a nuclear waste disposal evaluation problem. In that application experts assessed weights based on ranges which were often substantially larger than those of the actual sites to be evaluated. Since single

attribute utility functions u_i were linear, equation (9) was the obvious candidate to compute normatively correct transformations of the weights assessed by the experts. As an alternative the experts could have reassessed their own weights based on the smaller ranges. Would that reassessment agree with the normative rule? This question is addressed in the following experiment.

EXPERIMENT 1

Method

<u>Subjects</u>. Twenty-four undergraduate psychology students at the University of Southern California participated as subjects. All of them received experimental credit which they used in partial fulfillment of their introductory psychology course requirements. Participants signed up on a first come basis.

Stimuli. A car evaluation example introduced subjects to multiattribute evaluation problems and to the SMART procedure. Stimuli
were 5 cars described on six dimensions as in Table 1. Test stimuli were 5 apartments described on six attributes and 5 sites for
Liquified Natural Cas (LNG) plants also described on six attributes (see Tables 2 and 3). In the test tasks one attribute range
was variable. The changed attribute values are given in parenthesis
in Tables 2-3. In the automobile and the apartment evaluation
problem subjects had to make judgments according to their own preferences. In the LNG plant siting problem subjects had to consider
the preferences of a governmental decision maker responsible for
selecting a proper site.

Procedure. Subjects received written instructions to use the SMART

TABLE 1
Stimuli for the Car Evaluation Example

				CARS		
		A	В	С	D	E
A	Gas mileage (average miles per gallon)	10	20	3 0	40	50
T T	Price (in thousands of dollars)	5	4.5	6.2	7.0	3.5
R	Rear knee room (in inches)	15	14	12	20	19
I B U	Impact speed that the front end will withstand leaving the passenger compartment intact (in miles per hour)	35	40	37	39	29
T	Trunk size (in cubic feet)	9	12	20	16	19
E S	Interior noise (in dbA at 50 mph)	70	74	76	75	74

TABLE 2
Stimuli for the Apartment Evaluation
Problem (In Brackets: Short Range)

				SITES		
		A	В	С	D	E
A	Break-ins per year	20	15	10	5	0
Ť		(15)	(10)	(5)	(1)	(0)
R I	Rental fee in constant dollars	200	325	150	210	3 05
B U	Miles to work	15	25	23	7	10
T E S	Age of complex in years	10	5	0	20	28
3	Number of bedrooms	2	1	2	1	0**
	Number of complexes in area	2	9	1	2	20

in neighborhood

^{**}studio apartment

TABLE 3

Stimuli for the LNG Plant Siting

Problem (In Brackets: Short Range)

				SITES		
A		A	В	С	D	E
T	Environmental damage in	0	4	8	12	16
T	millions of dollars	(0)	(4)	(6)	(8)	(12)
R	Economic impact in millions of dollars	80	90	100	70	60
I	Miles to port	5	7	3	0	9
В	Years of operation	20	10	3 0	40	50
U	Number of faults	6	7	5	9	8
T E	Population density in people per square mile	100	75	125	50	25
_						

S

mobile evaluation problem. The subjects examined Table 1 and then saw how attribute levels could be rescaled based on the value levels for each automobile on each attribute. The five automobiles were rank ordered according to their levels on the attribute in question. After setting the best value of each attribute equal to 100 and the worst equal to 0, subjects then learned how intermediate levels can be set to correspond to their relative value judgments.

The use of the SMART procedure provided training for the subjects in the assignment of importance weights. Subjects saw how the six attributes can be rank ordered by importance with the arbitrary assignment of 10 to the least important dimension. Weights for the other dimensions are then assigned as multiples of the least important dimension. Subjects were clearly instructed to take ranges into account when making relative importance judgments:

"For example, you might consider "trunk size" to be five times as important as (the least important dimension) "interior noise" (value = 10). In this case you would assign the value 50 (5 times 10) to the factor "trunk size." By assigning a weight of 50 to one attribute (as in the case of "trunk size") you are saying that a certain reduction (say 10%) in the location measures (utility) for the attribute is equivalent to 5 times 10 or 50% reduction in the location measures for the attribute with the weight of 10. In other words, the relative magnitude of the numbers reflect how a 10% reduction of the worth (the location measure) of the values in one attribute compares with the same reduction on the other attributes. For instance, the weight 50 on the

attribute "trunk size" means that losing 10% on trunk size is five times as bad as losing 10% on interior noise. You may reexamine your ranking in light of this consideration."

Based on this example of assessing utility functions and importance weights, subjects applied SMART to the apartment and the LNG siting problems. After completing both problems subjects saw essentially the same problems again, but this time the range in the first attribute ("number of break-ins" in the apartment example; "environmental damage" in the LNG example) was changed. The order of the problems (LNG vs. apartments) and the type of range change (increase vs. decrease) was varied according to Table 4. Subjects were randomly assigned to one of the four conditions in this table.

When repeating the SMART procedure subjects did not need to reassess utility functions for the unchanged attributes.

Therefore subjects were presented with the original alternative by attribute matrices in Tables 2 and 3 with only the first attribute levels changed. They also were presented with an alternative by attribute matrix of their original utility measures with only the first attribute measures missing. Subjects reassigned utilities for that first attribute in both the apartment and the LNG siting problems. Subjects then reassigned all weights according to the SMART procedure.

Results

Of the 24 subjects, four could not follow instructions and their data were disregarded. The remaining 20 subjects provided as basic

TABLE 4
Experimental Conditions

Condition	First Problem	Range Change	Number of Subjects
1	LNG Plant	Increase	6
2	LNG Plant	Decrease	6
3	Apartme nt	Increase	6
4	Apartment	Decrease	6

data original and revised weights and single attribute utility functions in the two evaluation problems. To compute the expected weight change according to equation (5) three overlapping points of the original and the revised utility functions in the first attribute were used together with the cornerpoint which both utility functions shared. In the range decrease condition T was computed as the average

$$T = \frac{1}{3} \sum_{j=1}^{3} \frac{100 - u_1(y_{1j})}{100 - u_1'(y_{1j})}$$
(8)

In the range increase condition T was computed as

$$T = \frac{1}{3} \sum_{j=1}^{3} \frac{100 - u_1'(y_{1j})}{100 - u_1(y_{1j})}$$
(9)

where y_{1j} denotes the three points that the two utility functions share, x_1 of equation (4) is in all cases the common point of both utility functions at which they attain the maximum value of 100, i.e.,

$$u_1(x_1) = u_1'(x_1) = 100.$$
 (10)

Table 5 presents the original normalized weights, the revised re-normalized weights and the expected re-normalized weights for the apartment and LNG problems and for the range increase and the range decrease separately. The normatively revised weights typically increase or decrease between .01 and .05 (or about 5-15%) as compared to the original weights. Actual weight changes are smaller and show no pattern of increases or decreases as predicted from the change in range.

TABLE 5

Original weight (w_1) , revised weight (w_1^{\pm}) , and expected weight (w_1^{\pm}) as a result of a change in the range of the first attribute

(all weights are re-normalized to add to 1)

RANGE INCREASE

LNG PROBLEM (Conditions 1 and 3)

Subject	Original weight w ₁	Revised weight w ₁ *	Expected weight w ₁ '	Direction of change
1	.278	.267	. 328	wrong
9	.278	.250	. 329	wrong
13	.293	.281	. 344	wrong
17	.286	.263	. 354	wrong
21	.270	.227	.426	wrong
_	A.P. /	0.00	000	
3	.056	.056	.088	none
7	. 189	.206	.229	right
11	.200	.273	.234	right
15	.264	.273	. 369	right
19	.070	.133	.059**	right

In the number indicated by the shape of the reassessed utility function strongly deviated from the original utility function, and expected weights based on formulas (8) and (9) were in the wrong direction.

TABLE 5 (continued)

RANGE INCREASE

APARTMENT PROBLEM (Conditions 1 and 3)

Subject	Original weight w ₁	Revised weight w ₁ *	Expected weight w ₁ '	Direction of change
1	.189	.205	. 293	right
9	.217	.242	.268	right
13	.310	.295	.390	wrong
17	.260	.257	.426	wrong
21	.229	.235	.402	right
3	.205	.159	.232	wrong
7	.028	.028	.028	none
11	.185	.196	.236	right
15	.221	.243	.361	right
19	.214	.222	.303	right

TABLE 5 (continued)

RANGE DECREASE

LNG PROBLEM (Conditions 2 and 4)

Subject	Original weight w ₁	Revised weight w ₁ *	Expected weight w ₁ '	Direction of change
2	.277	. 284	.234	wrong
6	.212	.257	.157	wrong
10	.258	. 266	.240	wrong
14	.225	. 220	.144	right
18	.337	.440	.289	wrong
22	.221	.227	. 185	wrong
8	. 329	.281	. 246	right
12	.313	.313	. 309	none
20	. 234	.224	. 197	right
24	.250	. 239	. 207	right

TABLE 5 (continued)

RANGE DECREASE

APARTMENT PROBLEM (Conditions 2 and 4)

Subject	Original weight w ₁	Revised weight w ₁ *	Expected weight w ₁ '	Direction of change
2	. 258	.2 62	. 230	wrong
6	.313	. 313	. 340 **	none
10	. 219	. 226	. 158	wrong
14	. 297	.233	. 282	right
18	. 329	. 392	.283	wrong
22	.271	.271	. 207	none
8	. 264	.250	.193	right
12	. 353	. 313	. 352	right
20	.288	. 262	. 173	right
24	.258	. 254	.225	right

In the number indicated by the shape of the reassessed utility function strongly deviated from the original utility function, and expected weights based on formulas (8) and (9) were in the wrong direction.

Apparently subjects were not even ordinally correct in their reassessment of weights. Table 6 presents a simple summary of the data in Table 5 to analyze whether subjects changed their weights in the right direction after a decrease or an increase in the range of attribute levels. For the LNG problem subjects were more often wrong than right (in 12 cases out of 20). In the apartment problem subjects fared a little better but still 9 responses out of 20 were in the wrong direction. Overall subjects were not sensitive to the range changes.

A more detailed analysis shows that of those subjects which changed their weights in the correct direction, most subjects (83%) did not sufficiently adjust. Only two responses were in the right direction but were of too great a magnitude. Only a single response out of 40 was correct!

How does this apparent range insensitivity and the subsequent misassessment of revised weights translate into actual utility orderings? The maxima of utility theory are very flat (see, for example, v. Winterfeldt and Edwards, 1973) which means that modest errors in changing numbers are unlikely to affect orderings. In only 3 out of 40 cases did the use of subjectively revised weights lead to a "best" option different from the best option using normatively revised weights.

Discussion

The results of the first experiment strongly suggest that subjects could not intuitively appreciate the effect a change in range should have on the importance weight for an attribute. Correct directions of weight changes occurred almost as often as incorrect

TABLE 6
Summary of Weight Change as a Function of a Change in the Range

LNG PROBLEM

Weight should

		increase	decrease	Correct changes
	increase	4	5	
Weight Did	stay same	1	1	40%
	decrease	5	4	

APARTMENT PROBLEM

Weight should

		increase	decrease	Correct changes
	increase	6	3	
Weight Did	stay same	1	2	55\$
	decrease	3	5	

BOTH PROBLEMS

Weight should

		increase	decrease	Correct changes
	increase	10	8	
Weight Did	stay same	2	3	481
	decrease	8	9	

ones. Most of the correct changes were too small. However, the normatively required changes were not sufficiently different from the (incorrectly) revised ones to produce different decisions.

There are several reasons why subjects' weight estimates may have been range insensitive. One reason obviously is that the expected weight change itself was not strong enough (typically less than 20%) to produce the desired effect. Revisions may therefore reflect random reassessment error due to the neglect of a relatively small required change. Another reason is that the task may have been too complex to produce the desired range effect. Both arguments call for a strong manipulation of the task variables (attributes and ranges). The second experiment was designed to magnify necessary range effects in a very simplified multiattribute evaluation problem. In this experiment utilities and original weights were prespecified as those of the "experimenter," leaving the subject with the sole task of revising weights.

EXPERIMENT 2

Method

<u>Subjects</u>. 69 students participated in this second experiment. Again subjects were psychology undergraduates from the University of Southern California. Participation rules were the same as in the first experiment.

Stimuli. Stimuli were three cars described on two attributes, "gas mileage" and "weight." Subjects saw them in the form of a car by attribute matrix as in Table 7. The range of the mileage attribute was changed by multiplying all numbers by 2 (the changed attribute levels are given in brackets).

TABLE: 7

Stimuli for the Car Evaluation Problem in Experiment 2

(In Brackets: Changed Values for Range Change)

	CARS	
A	В	С
3 0	20	10
(60)	(40)	(20)
2000	1500	250 0
	3 0 (60)	A B 30 20 (60) (40)

Procedure. Subjects were introduced to the ideas of the SMART technique, and were presented with the "experimenter's" single dimensional utilities. They were further told that the "experimenter" considered gas mileage as twice as important as weight, given the range of mileage available, thus giving a normalized weight of .667 to mileage and one of .333 to weight. 34 subjects then received the following instructions:

35 subjects received slightly different instructions which required a change in weights and stressed ratio assessment:

"Now suppose that someone discovered a way to double gas mileage so that the values for cars A, B, and C are now 60, 40, and 20. For me, the rescaled values will be as they were before, 100, 50, and 0 respectively. But now these numbers refer to different actual gas mileages than they did before. Presumably, this has not changed my feeling about the importance of any specific gas mileage as compared with a specific weight. If so, then I should change the numbers that represent the importance of gas mileage to allow for the changed mileage aspects of the new set

of cars.	Should I increase or decrease the importance of gas
mileage?	Instead of 2/1 ratio of mileage
importanc	e to weight importance, what ratio should I use?
What shou	ld the importance numbers be if they should sum to 1?
	ξ''

Results

Table 8 summarizes the results of experiment 2. In the first instruction group 24 subjects indicated that there should be no change in weights, clearly an error. Of the remaining 10 subjects, 8 answered in the correct direction. One answered in the wrong direction. One did not indicate what the change should be. Of the eight that responded with the correct direction, five gave exactly the correct answer; one erred in not renormalizing the weights; and the remaining two subjects gave slightly underestimated responses.

In the second instruction group thirteen of the 35 subjects were unable to give importance weights which summed to one. No analysis of their responses is appropriate. Although the response format did not permit this, two subjects indicated that there should be no change in weights. Of the remaining 21 subjects two-thirds believed that the change should be in the wrong direction, and one-third gave responses in the correct direction. But only one of the subjects gave the correct response, while the rest were conservative.

Discussion

Even in an absurdly simple problem subjects apparently had problems appreciating the sensitivity of importance weights to a change

TABLE 8

Summary of Experiment 2: Changes in Weight as a Function of a Range Increase and Instructions

	Instruction group 1 (normalized weights)	Instruction group 2 (ratio weights) Forced Choice
Exactly Correct Response	5	1
Correct Direction But Not Sufficient	3	6
No Change	24	2
Wrong Direction	1	14
Not Analyzed	1	13
Total	34	36

in the range of an attribute. In the first set of instructions 70% of the subjects felt that no change in the weights should take place. This supports the results of the first experiment which used more complex stimuli. The insufficient adjustment effect of the first experiment did not occur under these instructions, probably because the problem was so simple.

The second set of instructions seems to have confused subjects. Perhaps the words "presumably this (change in the gas mileage levels) has not changed my feelings about the importance of any specific gas mileage as compared to a specific weight" were confusing. In general, the results of this instruction group also support the hypothesis that subjects are range insensitive when revising importance weights, with only 7 subjects responding in the right direction.

Both experiments show that subjects did not revise weights after a change in the range of an attribute as would be predicted by the normative rule. The data suggest that subjects instead were rather insensitive to the change in range.

The meaning of importance as a relatively range insensitive attribute characteristic may have distracted subjects from properly considering ranges in their weight assessment. "Importance" is a relatively unexplored psychological concept. Several uses of the word indicate, however, that it is a rather stable property of attributes, which is carried over from one situation (and one range) to another. If no alternatives are specified people can usually give a

ranking of attributes in order of importance. In fact, such a range independent assessment was originally suggested in Edwards (1972). The fact that people can give importance orderings without specified alternatives and ranges may mean that they have some plausible set of alternatives and ranges in mind, when judging importance. According to this interpretation the importance judgments should only change when the environment radically changes the plausible set of alternatives.

If importance is in fact relatively stable across situations, the experimental instructions may have induced two opposing reactions in the subjects: on one hand their intuitive appreciation of the concept of "importance" would suggest no change, while the explicit range effect instructions required change. These opposing trends may have confused subjects, as the high rate of obviously incongruent answers suggests. An obvious manipulation to test this hypothesis is to leave out the label "importance" altogether, e.g., by asking "how much more would you like to step from the worst level in attribute 1 to the best as compared to stepping from the worst in attribute 2 to the best?"

The results of these experiments should be interpreted with much caution. If this experiment had shown that subjects are range sensitive in their weight assessment, a major problem in applying the SMAPA technique would have been solved. One problem for SMART suggested by the experimental results is that instructions which couple importance judgments with ranges in attribute levels can be

confusing. SMART procedures with swing weight techniques should consequently be done very carefully. The hypothesis that "importance" is a range insensitive concept poses a major problem to the SMART procedure. But it also offers two alternative solutions: In the first, the term importance would be given up altogether and substituted by cross attribute relative value or indifference judgments as in Keeney and Raiffa (1976). In the second, importance judgments would be made independently of ranges and ranges would be defined to cover a "plausible" set of alternatives rather than the available set.

While the first solution is simple, and is easily implemented with only minor rewording of the weighting procedure, the second solution requires a quite different view of the multiattribute utility modeling problem. If, in fact, "importance" is a judgment which has substantive meaning and can numerically be scaled independently of its interpretation as a rescaling factor, incorporating importance could give additional substance to a multiattribute evaluation model. This argument is not unlike the argument for using external judgments of probabilities as independent inputs into an expected utility model (as opposed to the interpretation of probabilities as prices or rates). The problem, of course, remains, how to standardize single attribute utility functions in such substantive uses of importance judgments. This is clearly an experimental question.

References

- Edwards, W. Social utilities. <u>The Engineering Economist</u>, 1972, 6, 119-129.
- Edwards, W. How to Use Multi-attribute Utility Measurement for Social Decision Making. <u>IEEE Transactions on Systems</u>, Man, and Cybernetics, 1977, 7, 326-340.
- Edwards, W. Multiattribute Utility Measurement in a Highly
 Political Context. Evaluating desegration plans in Los
 Angeles. Paper presented at the American Association for
 the Advancement of Science. Houston, Texas. January, 1979.
- Keeney, R.L. & Raiffa, H. <u>Decisions with Multiple Objectives:</u>
 Preferences and Value Tradeoffs, New York: Wiley, 1976.
- Otway, H.J. & Edwards, W. Application of a simple multiattribute rating technique to evaluation of nuclear waste disposal sites:

 A demonstration. International Institute for Applied Systems
 Analysis, RM-77-31, June 1977.
- von Winterfeldt, D. & Edwards, W. Flat maxima in linear optimization models. The University of Michigan Engineering Psychology
 Laboratory TR 011 313-4-T, November 1973.

CONTRACT DISTRIBUTION LIST (Unclassified Technical Reports)

2 copies

Director
Advanced Research Projects Agency
Attention: Program Management Office
1400 Wilson Boulevard
Arlington, Virginia 22209

Office of Naval Research 3 copies
Attention: Code 455
800 North Quincy Street
Arlington, Virginia 22217

Defense Documentation Center 12 copies Attention: DDC-TC Cameron Station Alexandria, Virginia 22314

DCASMA Baltimore Office 1 copy
Attention: Mr. K. Gerasim
300 East Joppa Road
Towson, Maryland 21204

Director 6 copies
Naval Research Laboratory
Attention: Code 2627
Washington, D.C. 20375

SUPPLEMENTAL DISTRIBUTION LIST (Unclassified Technical Reports)

Department of Defense

Director of Net Assessment Office of the Secretary of Defense Attention: MAJ Robert G. Gough, USAF The Pentagon, Room 3A930 Washington, DC 20301

Assistant Director (Net Technical Assessment)
Office of the Deputy Director of Defense
Research and Engineering (Test and
Evaluation)
The Pentagon, Room 3C125
Washington, DC 20301

Director, Defense Advanced Research Projects Agency 1400 Wilson Boulevard Arlington, VA 22209

Director, Cybernetics Technology Office Defense Advanced Research Projects Agency 1400 Wilson Boulevard Arlington, VA 22209

Director, ARPA Regional Office (Europe) Headquarters, U.S. European Command APO New York 09128

Director, AEPA Regional Office (Pacific) Staff CINCPAC, Box 13 Camp H. M. Smith, Hawaii 96861

Dr. Don Hirta Defense Systems Management School Building 202 Ft. Belvoir, VA 22060 Chairman, Department of Curriculum Development National War College Ft. McNair, 4th and P Streets, SW Washington, DC 20319

Defense Intelligence School Attention: Professor Douglas E. Hunter Washington, DC 20374

Vice Director for Production Management Office (Special Actions) Defense Intelligence Agency Room 18863, The Pentagen Washington, DC 20301

Command and Control Technical Center Defense Communications Agency Attention: Mr. John D. Hwang Washington, DC 20301

Department of the Navy

Office of the Chief of Naval Operations (OP-951) Washington, DC 20450

Office of Naval Research Assistant Chief for Technology (Code 20 800 N. Quincy Street Arlington, VA 22217

Office of Naval Research (Code 230) 800 North Quincy Street Arlington, VA 22217

Office of Vaval Research Naval Analysis Programs (Code 431) 800 North Quincy Street Arlington, VA 22217



Office of Foval Research Operations Research Programs (Code 434) 800 North Quincy Street Arlington, VA 22217

Office of Naval Research Information Systems Program (Code 437) 800 North Quincy Street Arlington, VA 22217

Director, ONR Branch Office Attention: Dr. Charles Davis 536 South Clark Street Chicago, IL 60605

Director, ONR Branch Office Attention: Dr. J. Lester 493 Summer Street Boston, MA 02210

Director, ONR Branch Office Attention: Dr. E. Gloye 1030 East Green Street Passdena, CA 91106

Director, ONR Branch Office Attention: Mr. R. Lawson 1030 East Green Street Pasadena, CA 91106

Office of Naval Research Scientific Liaison Group Attention: Dr. M. Bertin American Embassy - Room A-407 APO San Francisco 96503

Dr. A. L. Slafkosky Scientific Advisor Commandant of the Marine Corps (Code RD-1) Washington, DC 20350

Headquarters, Naval Material Command (Code 0331) Attention: Dr. Heber G. Moore Washington, DC 20360

Dean of Research Administration Naval Postgraduate School Attention: Patrick C. Farker Monterey, CA 93910 Superintendent
Naval Postgraduate School
Attention: R. J. Roland, (Code 52Rl)
C3 Curriculum
Monterey, CA 93940

Naval Personnel Research and Development Center (Code 305) Attention: LCDR O'Bar San Diego, CA 92152

Navy Personnel Research and Development Center Manned Systems Design (Code 311) Attention: Dr. Fred Muckler San Diego, CA 92152

Naval Training Equipment Center Human Factors Department (Code N215) Orlando, FL 32813

Naval Training Equipment Center Training Analysis and Evaluation Group (Code N-001) Attention: Dr. Alfred F. Smode Orlando, FL 32813

Director, Center for Advanced Research Naval War College Attention: Professor C. Lewis Newport, RI 02840

Naval Research Laboratory Communications Sciences Division (Code : Attention: Dr. John Shore Washington, DC 20375

Dean of the Academic Departments U.S. Naval Academy Annapolis, MD 21402

Chief, Intelligence Division Marine Corps Development Center Quantico, VA 20134

Department of the Army

Deputy Under Secretary of the Army (Operations Research) The Pentagon, Room 25611 Washington, DC 20310

TRUE OUPY

Director, Army Library Army Studies (ASDIRS) The Pentagon, Room 14534 Washington, DC 20310

U.S. Army Research Institute Organizations and Systems Research Laboratory Attention: Dr. Edgar M. Johnson 5001 Eisenhower Avenue Alexandria, VA 22333

Director, Organizations and Systems
Research Laboratory
U.S. Army Institute for the Behavioral
and Social Sciences
5001 Eisenhower Avenue
Alexandria, VA 22333

Technical Director, U.S. Army Concepts
Analysis Agency
8100 Woodmont Avenue
Bethesda, MD 20014

Director, Strategic Studies Institute U.S. Army Combat Developments Command Carlisle Barracks, PA 17013

Commandant, Army Logistics Management Center Attention: DRXMC-LS-SCAD (ORSA) Ft. Lee, VA 23801

Department of Engineering United States Military Academy Attention: COL A. F. Grum West Point, NY 10996

Marine Corps Representative U.S. Army War College Carlisle Barracks, PA 17013

Chief, Studies and Analysis Office Headquarters, Army Training and Doctrine Command Ft. Monroe, VA 23351

Commander, U.S. Army Research Office (Durham) Box CM. Duke Station Durham. NC 27706

Department of the Air Force

Assistant for Requirements Development and Acquisition Programs Office of the Deputy Chief of Staff for Research and Development The Pentagon, Room 4C331 Washington, DC 20330

Air Force Office of Scientific Research Life Sciences Directorate Building 410, Bolling AFB Washington, DC 20332

Commandant, Air University Maxwell AFB, AL 36112

Chief, Systems Effectiveness Branch Human Engineering Division Attention: Dr. Donald A. Topmiller Wright-Patterson AFE, OH 45433

Deputy Chief of Staff, Flans, and Operations Directorate of Concepts (AR/XOCCC) Attention: Major R. Linhard The Pentagon, Room 4D 1047 Washington, DC 20330

Director, Advanced Systems Division (AFHRL/AS) Attention: Dr. Gordon Eckstrand Wright-Patterson AFB, OH 45433

Commander, Rome Air Development Center Attention: Mr. John Atkinson Griffis AFB Rome, NY 13440

IRD, Rome Air Development Center Attention: Mr. Frederic A. Dion Griffis AFB Rome, NY 13446

HOS Tactical Air Command Attention: LTCOL David Diamich Langley AFB, VA 23665

FROM COPY PARSISHED TO DOC

Other Government Agencies

Chief, Strategic Evaluation Center Central Intelligence Agency Headquarters, Room 2G24 Washington, DC 20505

Director, Center for the Study of Intelligence Central Intelligence Agency Attention: Mr. Dean Moor Washington, DC 20505

Mr. Richard Heuer Methods & Forecasting Division Office of Regional and Political Analysis Central Intelligence Agency Washington, DC 20505

Office of Life Sciences
Headquarters, National Aeronautics and
Space Administration
Attention: Dr. Stanley Deutsch
600 Independence Avenue
Washington, DC 20546

Other Institutions

Department of Psychology
The Johns Hopkins University
Attention: Dr. Alphonse Chapanis
Charles and 34th Streets
Baltimore, MD 21218

Institute for Defense Analyses Attention: Dr. Jesse Orlansky 400 Army Navy Drive Arlington, VA 22202

Director, Social Science Research Institute University of Southern California Attention: Dr. Ward Edwards Los Angeles, CA 90007

Perceptronics, Incorporated Attention: Dr. Amos Freedy 5271 Variel Avenue Woodland Hills, CA 91364 Stanford University Attention: Dr. R. A. Howard Stanford, CA 94305

Director, Applied Psychology Unit Medical Research Council Attention: Dr. A. D. Baddeley 15 Chaucer Road Cambridge, CB 2EF England

Department of Psychology Brunel University Attention: Dr. Lawrence D. Phillips Uxbridge, Middlesex UBS 3PH England

Decision Analysis Group Stanford Research Institute Attention: Dr. Miley W. Merkhofer Menlo Park, CA 94025

Decision Research 1201 Oak Street Eugene, OR 97401

Department of Psychology University of Washington Attention: Dr. Lee Roy Beach Seattle, WA 98195

Department of Electrical and Computer Engineering University of Michigan Attention: Professor Kan Chen Ann Arbor, MI 94135

Department of Government and Politics University of Maryland Attention: Dr. Davis B. Bobrow College Park, MD 20747

Department of Psychology Hebrew University Attention: Dr. Amos Tversky Jerusalem, Israel

Dr. Andrew P. Sage School of Engineering and Applied Science University of Virginia Charlottesville, VA 2091

THIS PAGE IS BEST QUALITY FRANTIGARILE.

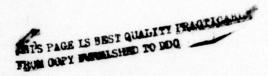
Professor Raymond Tanter Political Science Department The University of Michigan Ann Arbor, MI 48109

Professor Howard Raiffa Morgan 302 Harvard Business School Harvard University Cambridge, MA 02163

Department of Psychology University of Oklahoma Attention: Dr. Charles Gettys 455 West Lindsey Dale Hall Tower Norman, OK 73069

Institute of Behavioral Science #3 University of Colorado Attention: Dr. Kenneth Harmond Room 201 Boulder, Colorado 80309

Decisions and Designs, Incorporated Suite 600, 8400 Westpark Drive P.O. Box 907 Molean, Virginia 22101



The state of the s

NUMBER	BEFORE COMPLETING 3. RECIPIENT'S CATALOG NUI	RIAGE	- REPORT DOCUMENTATI
RIOD COVER		In court 1000000	. REPORT NUMBER
	- HEGIPTER F S CATALOG NO	2. SOVT ACCESSION	001922-6-T
12/78	S. TYPE OF REPORT & PERIO		TITLE (and Subtitle)
	Technical 10/77-12/	ve to the Range	Are Importance Weights Sensition of Alternatives in Multiattrial Measurement.
IIIMBE D/A	78-6 8. CONTRACT OR GRANT NUM		AUTHORA
7	Prime Contract		William F. Gabrielli, Jr. and Detlof von/Winterfeldt
	N00014-76-C-0074		
ROJECT, TA	10. PROGRAM ELEMENT, PROJ AREA & WORK UNIT NUMBI		. PERFORMING ORGANIZATION NAME AND ADDR
			Social Science Research Institution University of Southern California
	P. REBORT DATE		1. CONTROLLING OFFICE NAME AND ADDRESS
	December of FAGES	(Advance Research Projects Ages 1400 Wilson Blvd.
ile report)	30 15. SECURITY CLASS. (of this i	rent from Controlling Offi	Arlington Virginia 22209 4. MONITORING AGENCY NAME & ADDRESS(II dill
	UNCLASSIFIED	(under contract	Decisions and Designs, Inc.
OWNGRAD:N	15e. DECLASSIFICATION/DOWN	from Office of Naval Research)	8400 Westpark Drive McLean, Virginia 22101
		<u>_</u>	DISTRIBUTION STATEMENT (of this Report)
		/ - / ^	DISTRIBUTION STATEMENT (of the abstract enter
	rch rept. I-Dec 78,	9 Rese	S. SUPPLEMENTARY NOTES
		Authoritischen Authoritischen von Verschausgeweite	
			. KEY WORDS (Continue on reverse side if necessar
	e models functions	Uti1	Importance weights Range effects Multiattribute utility measure SMART
S.	ifference judgments. scaling factors argu-	e utility measur r indirectly by interpretation sensitive to ran ized single att	Scaling factors in multiattribudirectly as importance weights Critics of the importance weight that importance weights are not cannot be used to match standard examine the range sensitivity or
	ifference judgment scaling factors ar	e utility measur r indirectly by interpretation sensitive to ran ized single att	Scaling factors in multiattribu directly as importance weights Critics of the importance weight that importance weights are not cannot be used to match standard

S/N 0102-014-6601 :

SECURITY CLASSIFICATION OF THIS PAGE (When Date Entered)

SECURITY CLASSIFICATION OF THIS PAGE(When Dote Entered)

importance weight judgments for a number of attributes when evaluating apartments and liquified natural gas plant locations. After the initial importance weight assessments the range of alternatives in one attribute was changed and subjects reassessed their weights. Although subjects were explicitly instructed to take ranges into account when making these judgments, they were unable to adjust their weights appropriately. To magnify possible range effects a second experiment examined a very simple two attribute car evaluation problem. Subjects were asked directly if weights should change after the range in one attribute was doubled. Most subjects indicated that there should be no change. The results of these experiments suggest that subjects have plausible ranges in mind when assessing importance weights and that they are unwilling to change weights after relatively spurious changes in the alternative set.